

# Export Measure Faces House Test

By Tom Stieghorst

Export-trading company legislation, which passed the Senate unanimously prior to the congressional recess, faces a tougher test in the House.

The legislation must be approved by three committees—Judiciary, Banking and Foreign Affairs—before it can be sent to the full House for a vote.

After failing last year to report the legislation, committee leaders have sharp differences over how to handle banking and antitrust provisions in the bill.

## House Version Supported

Support for a House version of the Senate-passed bill is likely to be centered in the Foreign Affairs Committee, while the Judiciary and Banking committees are likely to push for substantial changes in the Senate measure.

The trading-company bill, which has been pending for three years, would provide one-stop export counseling to small businesses that cannot afford to absorb the risks and manage the logistics of overseas trade on their own. The measure seeks to update the 1915 Webb-Pomerene Act, which first allowed companies to form export associations.

The most serious dispute is likely to evolve over how much antitrust immunity to give export associations. Critics say the Webb-Pomerene Act is largely ineffective without stronger antitrust provisions.

Commerce Secretary Malcolm Baldrige told the House Judiciary Committee:

"In our efforts over the years to promote the formation of Webb-Pomerene associations, we have heard from the business community the opinion that many U.S. companies have abandoned plans for joint exporting at an early planning stage because they did not have sufficient confidence in its antitrust exemption."

The Senate bill would grant immunity from antitrust prosecution for certain activities that might be challenged by the Justice Department in domestic markets. The activities would be spelled out in certificates from the Commerce Department.

Sen. John Danforth (R-Mo.), who developed the antitrust title of the Senate bill, says this is the only approach that will convince small businesses—who are reluctant to risk antitrust prosecution—to form export associations.

## Some Representatives Disagree

However, House Judiciary Committee leaders Peter Rodino (D-N.J.) and Robert McClory (R-Ill.) believe Danforth's approach would create more problems than it solves by subjecting the companies to the regulatory supervision of the Commerce Department and establishing a bureaucratic certification procedure.

Companies might wait up to three months for the certificates to be issued under the Senate measure.

Another disagreement may focus on the degree to which banks will be allowed to participate in export-trading companies.

Sen. John Heinz (R-Pa.), chairman of a Senate Banking subcommittee on trade, argues that bank participation in the export-trading companies is essential, both to help the companies raise capital and to

take advantage of the trade expertise that many banks with overseas branches have developed.

House Banking Chairman Fernand St. Germain (D-R.I.) expressed strong concern last year that a similar Senate measure might violate the separation of banking and commerce established in the Glass-Steagall Act. That act was passed to prevent banks from granting favorable loans to businesses in which they would have part ownership.

The Senate bill allows banks to invest up to 5 percent of their capital in an export-trading company and would bar any banking organization from investing more than \$10 million or taking a controlling interest in an ETC without prior approval of the Federal Reserve Board.

Critics argue that this still would allow

banks to control export-trading companies, and sources say the banking provisions of the House bill are likely to be less favorable to bank ownership of trading firms.

None of the three committees has scheduled hearings yet on the legislation. Sources on the Judiciary committee said that panel will be preoccupied with budget matters through mid-May. The Banking panel may hold off on hearings until the other two committees have finished drafting their bills, a spokesman said.

Trade experts say that passage of the export-trading company measure would help reduce the U.S. trade deficit, which hit \$26 billion in 1980. The Commerce Department estimates that 20,000 small and medium-sized businesses could be encouraged to export.

# Leshner Urges Business To Defend Reagan Plan

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budget under control and tax-rate deductions that would restore incentives, relieve the burden on taxpayers and revitalize the American economy.

On the other hand, he said, the Budget Committee's alternative proposal would retard efforts toward budget control and toward relieving "an ever-rising burden."

"Such proposals are not alternatives," Leshner declared. "They are more of the same 'spend-and-tax' philosophy that caused our current economic crisis and generated the public's demand for a change last November."

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## Worktime Lost to Strikes Very Low Last February

The number of work stoppages in United States plants "remained at exceptionally low levels in February," the Bureau of Labor Statistics reports.

The bureau said that only .04 percent of estimated worktime was lost to strikes that month, the lowest such figure in 37 years.

The 647,000 days of strike-caused idleness was the lowest for the month since 1958.